

**MIDDLE LINE ROAD COMMUNITY HOUSING
GROUND LEASE FOR HOMESITE HOUSING
TOWN OF CHILMARK**

THIS LEASE (this "Lease") made and entered into this _____ day of _____, 2010, by and between The Town of Chilmark, unless otherwise operating through the Board of Selectmen, ("Town" or "Lessor"), having an address of P.O. Box 119, Chilmark, MA 02535 and Cameron Parry ("Lessee") having an address of _____.

- Article 1: Letters of Stipulation and Acknowledgment
- Article 2: Demise of Leased Premises
- Article 3: Duration of Lease
- Article 4: Use of Leased Premises
- Article 5: Ground Lease Fee
- Article 6: Taxes and Assessments
- Article 7: Improvements
- Article 8: Financing
- Article 9: Liability, Insurance, Damage and Destruction, Eminent Domain
- Article 10: Transfer, Sale, or Disposition of Improvements
- Article 11: Assignment and Sublease
- Article 12: Default
- Article 13: Arbitration
- Article 14: General Provisions

The following Exhibits are attached hereto and made a part of this Lease:

- Exhibit A - Letter(s) of Stipulation of Lessee
- Exhibit B - Letter of Acknowledgment of Lessee's Attorney
- Exhibit C - Leased Premises (Legal Description of Property)
- Exhibit D - First Refusal
- Exhibit E - Bill of Sale and Deed
- Exhibit F - Permitted Mortgages
- Exhibit G - Martha's Vineyard Commission Requirements

RECITALS

WHEREAS, the Town values being a diverse community that accommodates residents of differing income levels and, further, the Town desires to sustain affordable housing for future generations of Chilmark residents; and

WHEREAS, the Town has determined to provide affordable housing by providing access to such housing through the long-term leasing of land belonging to the Town; and

WHEREAS, the Leased Premises described in this Lease are being leased by the Town in furtherance of these purposes; and

WHEREAS, Lessee shares the purposes and goals of the Town and has agreed to enter into this Lease not only to obtain those benefits to which Lessee is entitled under this Lease, but also to further the purposes of the Town; and

WHEREAS, Lessee is an eligible purchaser ("Eligible Purchaser") as defined in the Implementation Guidelines to the Affordable Housing Zoning By-Law of the Town of Chilmark (hereinafter, the "Implementation Guidelines");

WHEREAS, Lessee recognizes the special nature of the terms and conditions of this Lease, and, with the independent and informed advice of legal counsel, freely accepts these terms and conditions, including those terms and conditions that may affect the marketing and resale price of any Improvements (as such term is hereinafter defined in Section 7.1), on the Leased Premises; and

WHEREAS, it is mutually understood and accepted by the parties hereto that the terms and conditions of this Lease will further their shared goals over an extended period of time and through a succession of owners.

NOW, THEREFORE, in consideration of the foregoing recitals, of mutual promises of the Town and Lessee, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1: Letters of Stipulation and Acknowledgment

Attached and made part of this Lease by reference are Exhibit A, Letter of Stipulation of Lessee, and Exhibit B, Letter of Acknowledgment of Lessee's Attorney, setting forth their respective review and understanding of this Lease (in particular, Article 10, regarding the transfer, sale, or disposition of the Improvements) and related documents for this transaction.

ARTICLE 2: Demise of Leased Premises

2.1 PREMISES: The Town, in consideration of the rents reserved and the terms and conditions of this Lease, does hereby demise and leave unto Lessee, and Lessee does hereby take and hire from the Town, the property (referred to in this Lease as the "Leased Premises") described in the attached Exhibit C, Leased Premises.

Lessee accepts the Leased Premises in their condition "as is" as of the execution of this Lease.

2.2 RESERVATION OF MINERAL RIGHTS: The Town reserves to itself all the minerals and other extractive resources of the Leased Premises. This reservation shall not diminish the right of Lessee under this Lease to occupy and freely use the Leased Premises. No extraction by the Town of minerals or other extractive resources shall be carried out without Lessee's prior written consent.

ARTICLE 3: Duration of Lease

3.1 TERM: The term of this Lease shall be ninety-nine (99) years, commencing on the 19 day of January, 2010, and terminating on the _____ day of _____, 2109, unless terminated sooner as provided below.

ARTICLE 4: Use of Leased Premises

4.1 RESIDENTIAL USE ONLY: Lessee shall use, and shall cause all occupants to use, the Leased Premises and Improvements only as a single residence and for any incidental activities related to residential use that are permitted by applicable law, by-laws, guidelines and regulations.

4.2 RESPONSIBLE USE AND COMPLIANCE WITH LAW: Lessee shall use the Leased Premises in a manner so as not to cause harm to others or create any nuisances, public or private; and shall dispose of any and all waste in a safe and sanitary manner. Lessee shall maintain the Leased Premises and Improvements in good, safe, and habitable condition in all respects, in full compliance with all applicable laws and regulations, and in such condition as is required to maintain the insurance coverage required by Section 9.4 of this Lease. In furtherance and not in limitation of the foregoing, Lessee shall comply with any and all applicable requirements of (a) the Martha's Vineyard Commission, as may be set forth in Exhibit G, MARTHA'S VINEYARD COMMISSION REQUIREMENTS, attached to this Lease; (b) the Town of Chilmark Zoning By-Law; (c) the Implementation Guidelines; and (d) any homeowner's or similar association governing the Land, Improvements, the Leased Premises and/or the roads or ways adjacent thereto, all as in effect as of the date of the commencement of this Lease and as may be amended during the term hereof.

4.3 RESPONSIBLE FOR OTHERS: Lessee shall be responsible for the use of the Leased Premises by anyone using the Leased Premises with Lessee's consent.

4.4 OCCUPANCY: Lessee shall occupy the Leased Premises as his or her primary residence for at least eleven (11) months of each year of this Lease, unless otherwise agreed to by the Town, acting through the Chilmark Housing Committee, except for Permitted Mortgagees who are temporarily holding title to the Leased Premises pursuant to the terms of this Lease.

4.5 INSPECTION: The Town may inspect any portion of the Leased Premises except the interior(s) of Lessee's Improvements, at any reasonable time, upon at least forty-eight (48) hours' oral notice to Lessee. In the event of emergency, Lessor may inspect any portion of the Leased Premises except the interior(s) of Lessee's Improvements without notice provided Lessor shall have made reasonable efforts to give advance notice to Lessee.

4.6 LESSEE'S RIGHT TO PEACEFUL ENJOYMENT: Lessee has the right to undisturbed enjoyment of the Leased Premises.

ARTICLE 5: Ground Lease Fee

5.1 GROUND LEASE FEE: In consideration of the possession, continued use, and occupancy of the Leased Premises, Lessee shall pay to the Town of Chilmark the Ground Lease fee of \$20,000.00 dollars.

5.2 PAYMENT OF GROUND LEASE FEE: The Ground Lease Fee shall be payable to the Town, at the address specified in this Lease, on the day of the execution of this Lease.

ARTICLE 6: Taxes and Assessments

6.1 TAXES AND ASSESSMENTS: Lessee shall be responsible for payment of all taxes and governmental assessments that relate to the Improvements on the Leased Premises. Lessee shall also pay directly, when due, all other service bills, utility charges, or other governmental assessments charged against the Leased Premises.

6.2 LESSEE'S RIGHT TO CONTEST: Lessee shall have the right to contest the amount or validity of any taxes relating to the Improvements on the Leased Premises. All costs and expenses of such proceedings shall be paid by Lessee.

ARTICLE 7: Improvements

7.1 OWNERSHIP: It is agreed that all buildings, structures, fixtures, and other Improvements purchased by Lessee or constructed or placed by Lessee on any part of the Leased Premises at any time during the term of this Lease (the "Improvements") shall be property of Lessee. Title to such Improvements shall be and remain vested in Lessee. However, Lessee's exercise of the rights of ownership is subject to the provisions of this Lease, including but not limited to provisions regarding the disposition of Improvements by Lessee and the Town's option to purchase the Improvements, as provided in Section 10.5 below. In addition, Lessee shall not sever or move the Improvements from the Land.

7.2 PURCHASE OF IMPROVEMENTS BY LESSEE: Lessee is simultaneously purchasing the Improvements, if any, located on the Leased Premises and described in the Bill of Sale and Deed, the form of which is annexed to this Lease as Exhibit E, Bill of Sale and Deed.

7.3 ALTERATION AND ADDITIONS: Any construction in connection with an existing or new Improvement is subject to the following conditions: (a) all costs shall be borne and paid for by Lessee; (b) all construction shall be performed in a workman manner and shall comply with all applicable laws and regulations; (c) all construction shall be consistent with the permitted uses set forth in Article 4; and (d) the addition of bedroom(s) and bathroom(s) intended to qualify for Added Value (as such term is defined in Section 10.10 below), in accordance with Article 10.10 shall not be constructed without prior review by The Town, acting through the Chilmark Housing Committee with approval of the Board of Selectmen. If Lessee wishes to undertake construction of an addition (the "Addition") with the intention of providing for a larger household size and thereby qualifying for "Added Value" as such term is defined in Section 10.10 below, Lessee shall, prior to undertaking the Addition, submit to the Town a written request for a confirmation that the Addition will qualify for Added Value. Such request shall include a description of the proposed Addition and reasonably detailed drawings indicating the

intended expansion and reconfiguration of the Improvements. The Town may request additional information if it finds such information will be necessary for a reasonable determination. The Town, acting through the Chilmark Housing Committee with approval of the Board of Selectmen, shall deliver a conditional confirmation that the Addition will result in Added Value if all of the following conditions will be met: (a) the total number of rooms to be designated as bedrooms upon the completion of Addition will be increased, (b) the total living area within the Improvements will increase by at least 100 square feet, and (c) all rooms to be designated as bedrooms upon the completion of the Addition shall be approved as bedrooms under applicable building codes. If all such conditions will not be met, the Town, acting through the Chilmark Housing Committee, may, at its sole discretion, give or refuse to give a conditional confirmation that the Addition will nonetheless qualify for Added Value. Any conditional confirmation shall become a final confirmation only upon Lessee's delivery to the Town of all building permits necessary for the Addition. Upon delivery of the permits necessary for final confirmation, Lessor shall issue a "Certificate of Added Value" and shall give Lessee one copy of such Certificate and shall record such Certificate with the Dukes County Registry of Deeds and file another copy of such Certificate in its permanent records.

7.4 INITIAL CONSTRUCTION BY LESSEE: If Lessee has agreed to undertake the initial construction of the Improvement(s) (the "Initial Construction"), Lessor shall limit the total development value of such Initial Construction (the "Total Development Value") for purposes of calculating the Formula Price (as defined in Section 10.8), pursuant to the terms of Section 10.10 below, as follows: the Total Development Value shall not exceed ninety percent (90%) of an amount established so that an Income-qualified Person, as defined in Article 10.2, would pay no more than thirty percent (30%) of the median income for Dukes County, as calculated and adjusted for household size by the U. S. Department of Housing and Urban Development or any successor agency thereto ("HUD") as of the commencement of the term of this Lease, for the sum of annual debt service for a mortgage of ninety (90%) of the Total Development Value (including principal and interest), property taxes, insurance, ground lease fee, community road association fee, and any homeowner association fee. After determining the amount of the Total Development Value in accordance with this Section, the Town, acting through the Chilmark Housing Committee, shall deliver a "Certificate of Total Development Value" to Lessee for use as necessary in calculating the aforesaid Formula Price and shall record the Certificate at the Dukes County Registry of Deeds and file another copy of such Certificate in its permanent records. The Certificate of Total Development Value shall also list the number of bedrooms in the Improvements. Any construction in connection with Initial Construction is subject to the following conditions: Lessee shall (a) prior to commencing construction, submit to the Town a written request for approval of the proposed Improvements, which request shall include a description of the proposed Improvements and reasonably detailed scale drawings showing the proposed Improvements and their location on the Land;(b) promptly deliver to the Town such additional information as the Town may request in order to confirm compliance by Lessee with the provisions of this Lease and the requirements set forth or referenced in Article 4; (c) obtain approval of the Chilmark Site Review Committee including a designated member from the Chilmark Housing Committee, which shall ensure the design is consistent with the rental duplexes in the Middle Line Road Community Housing; (d) obtain a building permit for the proposed Improvements, as approved by the Town, no later than one (1) year from the date of the lottery conducted on January 19, 2010; and (d) promptly thereafter begin and diligently pursue

the Initial Construction to completion and upon such completion obtain a certificate of occupancy for the Improvements. Failure to comply with this provision may, at the discretion of the Chilmark Housing Committee cause the designation of Eligible Purchaser to lapse, and this Lease to immediately terminate, subject to the rights of a Permitted Mortgagee and its Permitted Mortgage as provided herein, and, in that event, said Leased Premises shall be awarded to a new Eligible Purchaser by a lottery conducted by the Board of Selectmen at a public meeting. Such new Eligible Purchaser shall pay the appraised value of the structurally acceptable improvements to the Homesite Lot, if any, to the lapsed Eligible Purchaser. In addition to the foregoing, the Initial Construction, if undertaken by Lessee, shall be subject to the following requirements: all costs of the Initial Construction shall be borne and paid for by Lessee; (b) all construction shall be performed in a workman manner and shall comply with all applicable laws and regulations; (c) all construction shall be consistent with the permitted uses and other requirements set forth or referenced in Article 4; and (d) after the occupancy permit has been issued, the construction of any Addition shall be undertaken only after prior review by the Town, acting through the Chilmark Housing Committee, and in accordance with the provisions set forth in Section 7.3 above.

7.5 PROHIBITION OF LIENS: Except for Permitted Mortgages, as defined herein, no lien of any type shall attach to the Town's title to the Land or to the Town's interest in the Leased Premises or to any other property owned by the Town. Lessee shall not permit any statutory or similar lien to be filed against the Leased Premises, the Improvements, or any interest of the Town or Lessee that remains more than sixty (60) days after it has been filed. Lessee shall cause any such lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction, or as otherwise permitted by law. If Lessee fails to cause such lien to be discharged within the 60-day period, then, in addition to any other right or remedy, the Town may, but shall not be obligated to, discharge the lien by paying the amount in question. Lessee may, at Lessee's expense, contest the validity of any such asserted lien, provided Lessee has furnished a bond in an amount sufficient to release the Leased Premises from such lien. Any amounts paid by the Town to discharge such liens shall be deemed to be an additional Ground Lease Fee payable by Lessee upon demand.

7.6 MAINTENANCE AND SERVICES: Lessee shall, at Lessee's sole expense, maintain the Leased Premises and all Improvements as required by Section 4.2 above. The Town shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning, septic or water, or to make any repairs to the Leased Premises or Improvements, and Lessee hereby assumes the sole responsibility for furnishing all services or facilities.

7.7 DISPOSITION OF IMPROVEMENTS UPON EXPIRATION OF LEASE TERM: Upon the expiration of the term of this Lease or if it be sooner terminated in accordance with this Lease, Lessee shall surrender the Improvements together with the Leased Premises to the Town. Ownership of the Improvements shall thereupon revert to the Town, subject to the rights of a Permitted Mortgagee and its Permitted Mortgage as provided herein, provided, however, that the Town shall promptly pay to Lessee (subject as aforesaid to the rights of a Permitted Mortgagee and its Permitted Mortgage) as consideration for the Improvements an amount equal to the Town's Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Ground Lease Fee including any

charges that may have been added to the Ground Lease Fee in accordance with this Lease.

ARTICLE 8: Financing

8.1 PERMITTED MORTGAGE: Lessee may mortgage the Leased Premises or grant a security interest in the Improvements, either for the purchase or refinance of Improvements located thereon, or for the Initial Construction thereof, if Lessee has agreed to undertake such Initial Construction, in all cases, only (1) with the prior written consent of the Town, acting through the Chilmark Housing Committee with the approval of the Chilmark Board of Selectmen; (2) pursuant to a mortgage or other security instrument satisfying all of the requirements for a "Permitted Mortgage," as hereinafter defined in the attached Exhibit F, Permitted Mortgages; (3) and only in an amount not greater than the least of (a) the value of the Improvements as determined by an Appraisal conducted by a duly licensed appraiser in connection with said financing, or (b) the price calculated in connection with the formula described in Section 10.10 below (the "Formula Price"), or (c) the "Alternative Maximum," as defined in Paragraph 10.10.1 below; and (4) and only if the lender and Lessee execute a Permitted Mortgage Agreement at the time of the loan closing, which agreement incorporates the terms and provisions of Exhibit F. Not less than thirty (30) days (or such shorter period as may be approved by the Town) prior to the date on which Lessee (or a prospective Lessee who has contracted to purchase the Improvements or undertake the Initial Construction thereof) requests the Town's consent to a mortgage or other security instrument to be effective, Lessee (or prospective Lessee) shall furnish to the Town copies of every document to be executed in connection with the transaction represented by such mortgage and/or security instrument. The Town may choose to consent to any mortgage and/or security interest, and in so doing shall designate such mortgage and/or security interest as a "Permitted Mortgage." However, the Town shall consent to a mortgage and/or security interest only if (a) at the time such copies of documents are submitted and at the time proposed by Lessee (or prospective Lessee) for the execution of such documents, no default under this Lease is then outstanding; (b) the mortgage and/or security interest so submitted is a Permitted Mortgage as defined in the attached Exhibit F, Permitted Mortgages; and (c) the mortgage and/or security interest complies with this Article 8. Lessee shall pay to the Town at the Town's option, as additional Ground Lease Fee, all fees, costs, and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Town in connection with any Permitted Mortgage.

8.2 RIGHTS OF PERMITTED MORTGAGEE: Any holder of a Permitted Mortgage ("Permitted Mortgagee") shall without requirement of consent by the Town have the rights identified and defined in Section B of the attached Exhibit F, Permitted Mortgages.

8.3 REMOVAL OF CERTAIN PROVISIONS PURSUANT TO FORECLOSURE: In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a bill of sale and deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions of this Lease, at the election of the Permitted Mortgagee, and provided that the Permitted Mortgagee has complied with the terms of Exhibit F, attached hereto and incorporated herein by reference, the provisions of Article 10, Sections 10.1 through 10.12, inclusive, shall be deleted and thereupon be of no further force or effect as to only so much of the Security (as such term is defined in the attached Exhibit F), so foreclosed upon or transferred.

8.4 LESSOR'S RIGHT TO PROCEEDS IN EXCESS OF PURCHASE OPTION PRICE: The parties recognize that it would be contrary to the fundamental concept of this Lease and an incentive to abuse Lessee's authorization to encumber its leasehold interest with a Permitted Mortgage if Lessee could realize more than the Purchase Option Price as the result of any foreclosure of any mortgage. Accordingly, Lessee hereby irrevocably assigns to the Town any and all net proceeds of sale of the Improvements remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to Lessee, to the extent such net proceeds exceed the net proceeds that Lessee would have received had the property been sold for the Purchase Option Price established in Article 10 of this Lease, and authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay the amount of said excess proceeds directly to the Town. In the event that, for any reason, such excess proceeds are paid to Lessee, Lessee hereby agrees to promptly pay the amount of such excess proceeds to the Town.

8.5 AMENDMENTS SUBJECT TO APPROVAL BY PERMITTED MORTGAGEE: Any amendments to this Lease shall be subject to the written approval of the Permitted Mortgagee, which approval shall not be unreasonably withheld or delayed. The passage of thirty (30) days after submittal to Permitted Mortgagee of a proposed amendment without approval or disapproval by Permitted Mortgagee shall be deemed approval thereof.

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

9.1 LESSEE'S LIABILITY: Lessee assumes sole responsibility and liability to all persons and authorities related to its possession, occupancy, and use of the Leased Premises and/or the Improvements.

9.2 INDEMNIFICATION OF THE TOWN: Lessee shall defend, indemnify, and hold the Town harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Leased Premises. To the maximum extent permissible under law, Lessee waives all claims against the Town for such injury or damage.

9.3 PAYMENT BY LESSOR: In the event the Town shall be required to pay any sum that is Lessee's responsibility or liability, Lessee shall reimburse Lessor for such payment and for reasonable expenses caused thereby.

9.4 INSURANCE: Lessee shall, at Lessee's sole expense, keep all Improvements continuously insured against loss or damage under the comprehensive special form of insurance for the full replacement value of such Improvements. The dollar amounts of this coverage shall be adjusted at two (2)-year intervals, beginning on the date this Lease is signed, or upon the Town's demand given not more often than annually, upon thirty (30) days' notice to Lessee. This adjustment to the coverage shall be equal to the adjusted building replacement cost, excluding design or permit fees, excavation, site prep, and other underground work). Lessee shall, at Lessee's sole expense, maintain continuously in effect personal liability insurance covering the Leased Premises and Improvements in the amounts of not less than five hundred thousand dollars (\$500,000) for injury or death to persons or property damage to property of others. Lessee shall be responsible

for promptly paying the Town the cost of liability insurance for the Leased Premises carried by and for the benefit of the Town. Lessee shall provide the Town with copies of all policies and renewals of policies. All policies shall also contain endorsements providing that they shall not be canceled, reduced in amount or coverage or otherwise modified by the insurance carrier involved without at least thirty (30) days' prior written notice to Lessee and to the Town. The Town shall be entitled to participate in the settlement or adjustment of any losses covered by such policies of insurance.

9.5 DAMAGE OR DESTRUCTION: Except as provided below, in the event of fire or other damage to the Improvements, Lessee shall take all steps necessary to ensure the repair of such damage and the restoration of the Improvements to their condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Lessee shall also promptly take all steps necessary to ensure that the Leased Premises are safe and that the damaged Improvements do not constitute a danger to persons or property. If Lessee, using reasonable judgment and relying on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than eighty percent (80%) of the cost of repair and restoration (provided Lessee has fulfilled all the hazard insurance requirements set forth in Section 9.4 above), then Lessee may terminate this Lease by written notice to the Town given not later than sixty (60) days after the event that caused the damage. However, such termination shall not be effective until ninety (90) days after the date upon which the notice is received by the Town. During this ninety (90)-day period, the Town may seek an adjustment from the insurer so as to increase the available insurance proceeds to an amount covering at least eighty percent (80%) of the cost of repair and restoration. If successful in securing such adjustment, the Town may render Lessee's termination notice null and void by written notice to Lessee within such forty-five (45)-day period. If the Town fails to nullify the termination notice in this way, then this Lease shall terminate at the expiration of the ninety (90) day period, and any insurance proceeds payable to Lessee on account of such damage shall be paid as provided below. The insurance proceeds shall be paid first to cover any expenses of collecting the proceeds. Remaining proceeds shall be paid first to a Permitted Mortgagee to the extent required by the Permitted Mortgage, with the balance then paid to the Lessee, provided that the total amount paid to the Lessee and the Permitted Mortgagee does not exceed the then applicable Town's Purchase Option Price (as of immediately prior to the damage) calculated according to the provisions of Article 10 below. The balance of such proceeds, if any, shall be paid to the Town.

9.6 EMINENT DOMAIN AND PUBLIC DEDICATION: In the event of a taking of the Leased Premises, either in its entirety or to such extent that the Improvements are lost or damaged beyond repair, by reason of eminent domain or other action of public authority prior to the expiration of this Lease, this Lease shall terminate as of the date Lessee is required to give up possession of the Leased Premises or Improvements, and the entire amount of any award(s) paid shall be allocated in the way described in Section 9.5 above for insurance proceeds. In the event of a taking of a portion of the Leased Premises that does not result in damage to the Improvements or substantial reduction in the usefulness or desirability of the Improvements for residential purposes, then any monetary compensation for such taking shall be allocated entirely to the Town.

In the event of a taking of a portion of the Leased Premises that results in damage to the Improvements only to such an extent that the Improvements can reasonably be restored to a residential use consistent with this Lease, the Town may in its discretion allocate some or all the monetary compensation to enable Lessee to accomplish such a restoration. Any balance remaining after or in the absence of such allocation shall be allocated as provided above for a taking of the entire Leased Premises. Any and all proceedings brought by a party in connection with any damages as a result of any taking referred to in this Section shall be conducted at the sole expense of such party. If any provision of law requires that such proceedings be brought by or in the name of any owner or lessee of the premises, such party shall join in such proceedings or permit the same to be brought in its name. Each party agrees to do all acts and to execute all documents that may be required to enable the other to maintain such proceedings. If the party required to join in the proceedings incurs any cost or expense in doing so, such party shall be entitled to reasonable reimbursement and this entitlement shall constitute a first charge against any award.

9.7 RELOCATION OF LESSEE: In the event of a termination of this Lease as a result of damage, destruction or taking, the Town may, but shall not be obligated to grant Lessee a leasehold interest, similar to the interest created by this Lease, in another tract that it owns, if such other tract can reasonably be made available. In accepting such a leasehold interest, Lessee agrees to contribute any proceeds or award received by Lessee to purchase or develop Improvements on such tract. The Town's failure to supply such a leasehold interest shall not give rise to any cause of action by Lessee against the Town.

ARTICLE 10: Transfer, Sale, or Disposition of Improvements

10.1 INTENT: It is the understanding of the parties that the terms of this Lease, and in particular of this Article 10, are intended to preserve the affordability of the Improvements for lower-income households and expand access to homeownership opportunities for such households.

10.2 TRANSFERS TO INCOME-QUALIFIED PERSONS: Lessee may sell, transfer or otherwise dispose of its interest in the Leased Premises or the Improvements only to the Town, an Eligible Purchaser as defined in the Implementation Guidelines, an Income-qualified Person, as defined below, or otherwise only as explicitly permitted by the provisions of this Article 10. All such sales, transfers and other dispositions shall be subject to the price limitations set forth herein. Any purported sale, transfer or other disposition done without following the procedures set forth below or in violation of such price limitations (except in the case of a sale, transfer or other disposition to a Permitted Mortgagee in lieu of foreclosure or through purchase at a foreclosure auction, subject to the terms of this Lease) shall be null and void.

"Income-qualified Person" shall mean a person or group of persons whose household income does not exceed one hundred fifty percent (150 %) of the median household income for Dukes County as calculated and adjusted for household size from time to time by HUD.

10.3 TRANSFER TO LESSEE'S HEIRS: Upon receipt of notice from the executor of the decedent's estate given within ninety (90) days of the death of Lessee (or the last surviving co-owner of the Improvements) the Town shall, unless for good cause shown, consent to a transfer

of the Improvements and an assumption of this Lease to and by one or more of the possible heirs of Lessee listed below as “a,” “b,” or “c” (each such party hereinafter a “Permitted Heir” and, collectively, “Permitted Heirs”), provided that such heir is an Eligible Purchaser, and provided that a Letter of Stipulation and a Letter of Acknowledgment of legal counsel (similar to those described in Article 1 of this Lease), setting forth such Permitted Heirs’ review, understanding and acceptance of the terms of this Lease, are submitted to Lessor to be attached to this Lease when it is transferred to such Permitted Heirs. a. the spouse of Lessee; or b. the child or children of Lessee; or c. Lessee’s domestic partner who was one of two people, the other being Lessee, who maintained the same permanent residence and had a close and committed personal relationship involving shared responsibilities for each other’s welfare as evidenced by financial interdependence, and having expressed the intention for their relationship to be permanent. Any heirs, legatees or devisees of Lessee must, in addition to submitting Letters of Stipulation and Acknowledgment as provided above, demonstrate to the Town’s reasonable satisfaction that they are Eligible Purchasers, or, if unable to do so, shall not be entitled to possession of the Improvements and Leased Premises and must transfer the Improvements and Leased Premises in accordance with the provisions of this Article 10.

10.4 LESSEE’S NOTICE OF INTENT TO SELL: Except in the case of a sale, transfer or other disposition to a Permitted Mortgagee in lieu of foreclosure or through purchase at a foreclosure auction, in the event that Lessee contemplates an assignment of its interest herein or a sale, transfer or other disposition of the Improvements to a third party (any of the foregoing being a “Transfer”), Lessee shall notify the Town, in writing, of such wish (the “Intent-To-Sell Notice”). Such Intent-To-Sell Notice shall include a statement as to whether Lessee wishes to recommend a prospective buyer as of the date of the Notice.

10.5 THE TOWN’S PURCHASE OPTION: Upon receipt of an Intent to Sell Notice from Lessee, the Town shall have the option to purchase the Improvements (the “Purchase Option”) at the Purchase Option Price calculated as set forth below. The Purchase Option is designed to further the purpose of preserving the affordability of the Improvements for succeeding income-qualified Persons while taking fair account of the investment by Lessee. If the Town elects to purchase the Improvements, it shall exercise the Purchase Option by notifying Lessee, in writing, of such election (the “Notice of Exercise of Option”) within sixty (60) days of the receipt of the Intent-To-Sell Notice or sixty (60) days following the Town’s receipt of an appraisal carried out in accordance with Section 10.9, whichever shall be the later to occur, or the Purchase Option shall expire. Having given such notice, the Town may either proceed to exercise the Purchase Option directly by purchasing the Improvements, or may assign the Purchase Option to an Eligible Purchaser, or a non-profit corporation, charitable trust, municipality, government agency or other similar entity sharing the goals described in the Recitals of the Ground Lease. The purchase (by the Town or the Town’s assignee) must be completed within sixty (60) days of the Town’s Notice of Exercise of Option, or Lessee may sell the Improvements as provided in Section 10.6 below, provided that the Dukes County Regional Housing Authority has not exercised its option to purchase as defined in Section 10.5A below. The time permitted for the completion of the purchase may be extended by mutual agreement of the parties hereto. Lessee may recommend to the Town a prospective buyer who is an Eligible Purchaser and is prepared to submit Letters of Stipulation and Acknowledgment indicating informed acceptance of the terms of this Lease. The Town may, but shall not be obligated to, accept, such recommendation from

Lessee, as the Town may elect, in its sole discretion, acting through the Chilmark Housing Committee.

10.5A PURCHASE OPTION OF THE DUKES COUNTY REGIONAL HOUSING

AUTHORITY: If the Purchase Option granted to the Town has expired or if the Town has failed to complete the purchase within the sixty (60)-day period provided under Section 10.5 above, Lessee shall so notify the Dukes County Regional Housing Authority ("DCRHA") in writing (such notice, hereinafter a "DCRHA Notice") and DCRHA shall then have the option to purchase the Improvements (the "DCRHA Purchase Option") at the Purchase Option Price calculated as set forth below. If DCRHA elects to purchase the Improvements, it shall exercise the DCRHA Purchase Option by notifying Lessee, in writing, of such election (the "DCRHA Notice of Exercise of Option") within thirty (30) days of the date of the DCRHA Notice, or, if the Town did not commission an appraisal as permitted under Section 10.9 below, the receipt by DCRHA of an appraisal carried out in accordance with said Section 10.9, whichever shall be the later to occur, or the DCRHA Purchase Option shall expire. Having given such DCRHA Notice of Exercise of Option, DCRHA may either proceed to exercise the DCRHA Purchase Option directly by purchasing the Improvements, or may assign the DCRHA Purchase Option to an Eligible Purchaser. The purchase (by DCRHA or DCRHA's assignee) must be completed within sixty (60) days of DCRHA's Notice of Exercise of Option, or Lessee may sell the Improvements as provided in Section 10.6 below.

10.6 IF PURCHASE OPTION AND DCRHA PURCHASE OPTION EXPIRE: If the Purchase Option has expired or if the Town has failed to complete the purchase within the sixty (60)-day period allowed by Section 10.5 above and/or if the DCRHA Option has expired or if DCRHA has failed to complete the purchase within the sixty (60)-day period allowed by Section 10.5A above, Lessee may Transfer the Improvements and this Lease to any Eligible Purchaser, for not more than the then applicable Purchase Option Price. If, six (6) months after (a) the expiration of the Purchase Option or the expiration of the sixty (60)-day period provided in Section 10.5 above, and/or (b) the DCRHA Purchase Option or the expiration of sixty (60)-day period provided in Section 10.5A above, as may be applicable, the Improvements still have not been Transferred, Lessee may Transfer the Improvements and this Lease, at a price determined by the market, to any party regardless of whether that party is an Eligible Purchaser, provided, however, that said party executes a lease to the Town in the form hereof limiting resale to an Eligible Purchaser. Any portion of the purchase price in excess of applicable purchase option price, shall be remitted to the Town to assist it in maintaining a stock of affordable housing.

10.7 THE TOWN'S POWER OF ATTORNEY TO CONDUCT SALE: In the event the Town (or its assignee) does not exercise its Purchase Option and complete the purchase of the Improvements as set forth above and/or DCRHA does not exercise its DCRHA Purchase Option and complete the purchase of the Improvements as set forth above, and Lessee (a) is not then residing in the Improvements and (b) continues to hold the Improvements out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one (1) year of the giving of the Intent to Sell Notice, Lessee does hereby appoint the Town its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the goals set forth in this Lease; Transfer the Improvements and distribute proceeds of sale, minus the Town's costs of sale and reletting and any other sums owed the Town by Lessee.

10.8 PURCHASE OPTION PRICE: Except as provided in Section 10.6, in no event may the Improvements be Transferred for a price that exceeds the Purchase Option Price. The Purchase Option Price shall be equal to the lesser of (a) the value of the Improvements as determined by the Appraisal commissioned and conducted at the discretion of the Town as provided in 10.9 below or (b) the price calculated in accordance with the formula described below (the "Formula Price").

10.9 APPRAISAL: No later than ten (10) days after the Town's receipt of Lessee's Intent-To-Sell Notice, a market valuation of the Leased Premises and the Improvements (the "Appraisal") may be commissioned at the discretion of the Town to be performed by a mutually acceptable and duly licensed appraiser. If the parties hereto cannot agree to a mutually acceptable appraiser, the Town may invoke arbitration pursuant to Article 13 and the third arbitrator (as that term is used in Article 13) shall be an experienced real estate appraiser who shall conduct the Appraisal. The Town shall commission and pay the cost of such Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to Land and Improvements were held in fee simple absolute, disregarding the restrictions of this Lease on the use of the Land and the Transfer of the Improvements. The Appraisal shall state the values contributed by the Land and by the Improvements as separate amounts. Copies of the Appraisal are to be provided to both parties.

10.10 CALCULATION OF THE FORMULA PRICE: The Formula Price shall be equal to the Base Price (Lessee's Purchase Price plus the Added Value, or, if Lessee has undertaken the Initial Improvements pursuant to Section 7.4 above, the Total Development Value, plus the Added Value) plus the Inflation Adjustment, calculated as described below.

- Base Price: The parties agree that the Base Price is the Purchase Price plus the Added Value or the Total Development Value plus the Added Value, as may be applicable.
- Lessee's Purchase Price or Total Development Value: The parties agree that Lessee's Purchase Price for the Improvements existing on the Leased Premises as of the commencement of the term of this Lease or the Initial Construction undertaken by Lessee in accordance with Section 7.4 hereof.
- Added Value: shall be recognized if Lessee has increased the number of bedrooms in the Improvements by the addition of an Addition with the result that a Certificate of Added Value has been issued by Lessor in accordance with Section 7.3 hereof. For purposes of determining the Added Value, a household of two shall be deemed an appropriate size household for a one bedroom dwelling, a household of three shall be deemed an appropriate size household for a two bedroom dwelling, a household of four shall be deemed an appropriate size household for a three bedroom dwelling, and a household of five shall be deemed an appropriate sized household for a four bedroom dwelling. The parties agree that, at the time of Lessee's purchase or after completion of the Initial Construction, the Improvements contained the number of bedrooms listed on the Certificate of Total Development Value, defined in Paragraph 7.4. If, at the time of resale, the number of bedrooms has been increased, the amount of the Added Value shall be determined as follows:

1. The dollar amount most recently reported by HUD at the time of resale as being 150% of AMI for Dukes County for a household (as such household size is stated above) appropriate for the number of bedrooms listed on the Certificate of Total Development Value shall be subtracted from the dollar amount most recently reported by HUD at the time of resale as being 150% of AMI for the household size appropriate for the increased number of bedrooms, thus determining the difference between the two dollar amounts. This difference shall then be divided by the aforementioned dollar amount reported by HUD for the smaller household size. The quotient of this operation shall be rounded to three (3) decimal places.

2. The resulting quotient shall be multiplied by the amount of Lessee's Purchase Price or the Total Development Value, as may be applicable. The product of this operation shall be the Added Value.

- Inflation Adjustment: The parties agree that the Inflation Adjustment is defined as the sum of two parts: (1) Lessee's Purchase Price or the Total Development Value, as may be applicable, times the percent change in the AMI for Dukes County since the time of purchase or Initial Construction, as may be applicable, and (2) the Added Value times the percent change in the AMI since the time of the addition of the bedroom(s). The Base Price plus the Inflation Adjustment shall be the Formula Price. The AMI shall be for Dukes County as reported by HUD. In any event, and in order to balance years of anomaly in the AMI, the increase in the index shall not be greater than an average of four percent (4%) per year. If the CPI is greater than an average of four percent (4%) per year during the period of ownership, the index shall be figured as four percent (4%) per year. In the event that HUD no longer continues to determine and promulgate an AMI or comparable figure for the region, Lessor shall reasonably select another measure of the change in consumer costs in Dukes County over the relevant time period, such other measure shall in that case be used as the index. The term "Purchase Option Price" as used herein refers to the maximum price for which Lessee is permitted to sell the Improvements and is not intended and shall not be construed to be a guarantee of the expected sale price.

10.10.1 ALTERNATIVE MAXIMUM: Notwithstanding the forgoing, the maximum for which the Lessee is permitted to sell the improvement shall be that which would be affordable by an Eligible Purchaser with a family size appropriate to the number of bedrooms in said Homesite Housing dwelling as determined by the DCRHA at the time of resale.

10.11 NEW LEASE: An Eligible Purchaser who purchases the Improvements in accordance with the provisions of this Article 10 shall enter into a new Lease from the Town, which new Lease shall be substantially the same as this Lease in the rights, benefits and obligations assigned to Lessee and the Town.

10.12 DEFERRED MAINTENANCE AND CONDITION OF IMPROVEMENTS AT TIME OF SALE: Lessee acknowledges and agrees that it is obligated to maintain the Improvements in good, safe and habitable condition as outlined in Section 4.2 and 7.6 throughout the term of this Lease. At the time of any Transfer permitted hereunder, Lessee agrees to Transfer the Improvements in good, safe and habitable condition. The Town may elect to use a prospective buyer's mortgage lender's requirements as the basis for identifying deferred maintenance

problems, if any, that must be corrected prior to sale of the Improvements. Lessee shall complete, or cause to be completed, all required repairs identified by the Town or the mortgage lender's requirements, as may be applicable. All such work must be completed in a good and workman like manner in accordance with all applicable laws and regulations prior to the closing. Lessee shall bear the full cost of said repairs. All costs that cannot be paid in advance by Lessee shall be paid from Lessee's proceeds at closing.

10.13 MONITORING FEE: The Town shall be entitled to a fee of one-half of one percent of the established sale price of the Improvements for the services performed monitoring the resale and transfer of this Lease. This fee shall be paid by the buyer of Lessee's interest as a closing cost at the time of closing.

ARTICLE 11: Assignment and Sublease

Except as otherwise provided in Article 8 (including Exhibit F, Permitted Mortgages) and Article 10, Lessee shall not assign, sublease, sell, or otherwise transfer or convey any of Lessee's rights under this Lease without the prior written consent of the Town. Lessee agrees that the Town shall have broad and full discretion to withhold such consent in order to further the mutual purposes and goals set forth in this Lease. If permission is granted, any assignment or sublease or other transfer shall be subject to the following conditions.

a) Any such assignment or sublease shall be subject to all the terms of this Lease, including, without limitation, all prohibitions, restrictions and other provisions applicable to the sale, assignment, sublease or other transfer of the Improvements and/or this Lease as provided herein.

b) In the case of a sublease, the Leased Premises and Improvements shall not be leased or subleased to any third party who is not qualified for affordable housing, as determined by the Town, acting through the Chilmark Housing Committee. The rental or occupancy fee to be charged the sublessee shall be at an affordable rate to an applicant qualified by the Dukes County Regional Housing Authority. This approval shall be based upon a predetermine time frame and an affordable rental rate.

ARTICLE 12: Default

12.1 MONETARY DEFAULT BY LESSEE: It shall be an event of default if Lessee fail to pay any charges required by the terms of this Lease and such failure is not cured by Lessee or a Permitted Mortgagee within thirty (30) days after notice of such failure is given by the Town to Lessee and Permitted Mortgagee. However, if Lessee shall make a good faith partial payment of at least two thirds (2/3) of the amount owed during such initial thirty (30)-day period, then such period shall be extended one additional thirty (30)-day period. The full amount of the delinquent Ground Lease Fee or other charges must be paid at the end of this additional period. This paragraph may be used to extend payment deadlines no more than once in every twelve (12)-month period.

12.2 NON MONETARY DEFAULT BY LESSEE: It shall be an event of default if Lessee fails to abide by any other material term or condition in this Lease, and such failure is not cured by

Lessee or a Permitted Mortgagee within sixty (60) days after notice of such failure is given by the Town to Lessee and Permitted Mortgagee. However, in the case where Lessee or Permitted Mortgagee has commenced to cure such default within such sixty (60)-day period and is continuing such cure with all due diligence but cannot by the exercise of due diligence cure such default within such period, such period shall be extended for such additional period as may be reasonably required under the circumstances to complete such cure.

12.3 DEFAULT BY LESSEE RESULTING FROM JUDICIAL PROCESS: It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Lessee is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Lessee for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of Lessee's property by a court of competent jurisdiction, or if a petition is filed for the reorganization of Lessee under any provisions of the Bankruptcy Act now or hereafter enacted, or if Lessee files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

12.4 TERMINATION: In the case of any of the events of default described above (each, hereinafter, an "Event of Default"), the Town may terminate this Lease and initiate summary proceedings against Lessee. Pursuant to such proceedings, without demand or notice, the Town may enter any part of the Leased Premises and repossess the entire Leased Premises, and expel Lessee and those claiming rights through Lessee and remove their effects without being guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant. If this Lease is terminated by the Town, or if the Town reenters the Leased Premises pursuant to an Event of Default, Lessee agrees to pay and be liable for any damages which may be due or sustained prior to or in connection with such termination or reentry, and all reasonable costs, fees and expenses (including, without limitation, reasonable attorneys' fees) incurred by the Town in pursuit of its remedies under this Lease. If the Town elects to terminate this Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above) to postpone and extend the specified date for the termination of this Lease or to reinstate this Lease, to the extent necessary to enable the Permitted Mortgagee to exercise any or all of its rights under its mortgage.

ARTICLE 13: Arbitration

13.1 ARBITRATION PROCESS: Should any grievance or dispute arise between the parties hereto concerning the terms of this Lease that cannot be resolved by normal interaction, the following arbitration procedure shall be used. The Town or Lessee shall give written notice to the other of its selection of a disinterested arbitrator. Within fifteen (15) days of the receipt of this written notice, the other party may give written notice to the first party appointing a disinterested arbitrator of its own choice. These two arbitrators shall select a third arbitrator. If the other party fails to name an arbitrator within fifteen (15) days of receiving the notice from the first party, the arbitrator selected by the first party shall be the sole arbitrator. The arbitrator or arbitrators shall hold a hearing within thirty (30) days after the initial written notice by the initiator of the arbitration process. At the hearing the parties shall have an opportunity to present evidence and

question witnesses in the presence of each other. As soon as reasonably possible, and in no event later than fifteen (15) days after the hearing, the arbitration panel shall make a written report to the parties of its findings and decisions, including a personal statement by each arbitrator of his/her decision and the reasons for it. The arbitrators shall decide the dispute or claim in accordance with the substantive law of the jurisdiction and what is just and equitable under the circumstances. The decisions and awards of the majority of the arbitration panel shall be binding and final.

ARTICLE 14: General Provisions

14.1 NOTICES: Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice: If to the Town: Town of Chilmark, at its address set forth above, with a copy to: Reynolds, Rappaport, Kaplan & Hackney, LLC, P.O. Box 2540, Edgartown, MA 02539 (the Town's attorney); if to Lessee, at its address set forth above; if to the Chilmark Housing Committee, Town of Chilmark, P.O. Box 119, Chilmark, MA 02535; and if to Dukes County Regional Housing Authority, P.O. Box 4538, Vineyard Haven, MA 02568.

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

14.2 SEVERABILITY AND DURATION OF: If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Lessee or Lessor against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. Without limiting the generality of the foregoing, it is the intention of the parties that their respective options to purchase and all other rights under this Lease shall continue in effect for the full term of this Lease and any renewal thereof, and such options and other rights shall be considered to be coupled with an interest. Further, the parties intend such options and other rights to be ones arising out of a non-donative transfer within the meaning of M.G.L. c. 184A, Section 4, as the same is now in effect and therefore not subject to any limitations otherwise imposed by said M.G.L. c. 184A. In the event any such option or right shall be construed to be subject to any rule of law limiting the duration of such option or right, the time period for the exercise of such option or right shall be construed to expire twenty (20) years after the death of the first survivor of the following persons: the children living as of the date hereof of any employees of the Town.

14.3 RIGHT OF FIRST REFUSAL IN LIEU OF OPTION: If the provisions of the purchase option set forth in Article 10 of this Lease shall become unenforceable for any reason (other than termination following the exercise of rights of a Permitted Mortgagee under its mortgage pursuant to Section 8.3 above) the Town shall nevertheless have a right of first refusal to purchase the Improvements at the purchase price made by a bona fide purchaser to Lessee. This right shall be as specified in the attached Exhibit D, First Refusal. Any sale or transfer contrary to this Section, when applicable, shall be null and void.

14.4 WAIVER: A waiver by the Town at any given time of any term or condition of this Lease,

or the failure of the Town to take action with respect to any breach of any such term or condition, shall not be deemed to be a waiver of such term or condition with regard to any subsequent breach of such term or condition, or of any other term or condition of this Lease. The Town may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by the Town before being effective. The subsequent acceptance of Ground Lease Fee payments by the Town shall not be deemed to be a waiver of any preceding breach by Lessee of any term or condition of this Lease, other than the failure of Lessee to pay the particular Ground Lease Fee so accepted, regardless of the Town's knowledge of such preceding breach at the time of acceptance of such Ground Lease Fee payment.

14.5 THE TOWN'S RIGHT TO PROSECUTE OR DEFEND: The Town shall have the right, but shall be under no obligation, to prosecute or defend, in its own or Lessee's name, any actions or proceedings appropriate to the protection of its title to, and Lessee's interest in, the Leased Premises. Whenever requested by the Town, Lessee shall give the Town all reasonable aid in any such action or proceeding.

14.6 CONSTRUCTION: Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

14.7 CAPTIONS AND TABLE OF CONTENTS: The captions and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.8 PARTIES BOUND: This Lease sets forth the entire agreement between the parties hereto with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by the parties or their legal representatives or, in accordance with the provisions of this Lease, successors in interest.

14.9 GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of Massachusetts. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against either party.

14.10 RECORDING: The parties agree that a true and complete copy of this Lease including exhibits and any subsequent amendments hereto, shall be recorded at the Registry of Deeds in the County where the Improvements are located.

14.11 LESSEES: Notwithstanding anything herein to the contrary, Lessee under this Lease shall at all times be one or more natural persons and any transfer by Lessee of its interest hereunder to a corporation, trust, partnership or any other entity, other than to a Permitted Mortgagee in exercise of its rights permitted in this Lease, in violation of the foregoing prohibition shall be deemed null and void.

14.12 NO BROKERAGE: Lessee warrants that it has not dealt with any broker in connection with the consummation of this Lease, and in the event any claim is made against the Town relative to dealing with any brokers, Lessee shall defend the claim against the Town and save

harmless and indemnify the Town on account of loss, cost or damage which may arise by reason of any such claim.

14.13 COMMITTEE DESIGNATION: In the event that any committee of the Town of Chilmark named in this lease (including, but not limited to, the Chilmark Housing Committee and the Chilmark Site Review Committee) ceases to exist, the Board of Selectmen shall designate another committee to replace such defunct committee; and such replacement committee shall hold all of the powers and functions of the defunct committee as stated herein.

IN WITNESS WHEREOF, the parties have executed this Lease on the day and year first above written.

Lessor:

The Town of Chilmark

By its Board of Selectmen,

Warren M. Doty, Chairman

Frank M. Fenner, Jr.

Jonathan E. Mayhew

Lessee:

Cameron Parry

COMMONWEALTH OF MASSACHUSETTS

County of Dukes County: ss

On this _____ day of _____, 2010, before me, the undersigned notary public, personally appeared Warren M. Doty, Chairman of the Board of Selectmen of the Town of Chilmark, proved to me through satisfactory evidence of identification, which was **(circle one)** personal knowledge of identity of the principal/passport or drivers license bearing photographic image of principal/ other _____, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.

Notary Public

My commission expires: _____

COMMONWEALTH OF MASSACHUSETTS

County of Dukes County: ss

On this _____ day of _____, 2010, before me, the undersigned notary public, personally appeared Cameron Parry, proved to me through satisfactory evidence of identification, which was **(circle one)** personal knowledge of identity of the principal/passport or drivers license bearing photographic image of principal/ other _____, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.

Notary Public

My commission expires: _____

Exhibit A

LETTER OF STIPULATION OF LESSEE

To: The Town of Chilmark

Date: _____

This letter is given to the Town to become an exhibit to a Lease between the Town and me. I will be leasing a parcel of land from the Town. My legal counsel, _____, has explained to me the terms and conditions of the Lease and other legal documents that are part of this transaction. I understand the way these terms and conditions will affect my right, now and in the future. In particular I understand and agree with the following points.

- One of the goals of the Town is to keep homes affordable for Eligible Purchasers. I support this goal.
- The terms and conditions of my Lease will keep my home affordable for future Eligible Purchasers. If and when I want to sell my home, the lease requires that I sell it either to the Town or to another Eligible Purchaser. The terms and conditions of the lease also limit the price for which I can sell the home, in order to keep it affordable for such Eligible Purchasers.
- It is also a goal of the Town to promote resident ownership. For this reason, my Lease requires that if I and my family move out of our home permanently, we must sell it. We cannot continue to own it as absentee owners.
- It is my desire to see the terms of the Lease and related documents honored. I consider these terms fair to me and others.

Sincerely,

Cameron Parry

Exhibit B

LETTER OF ACKNOWLEDGMENT OF LESSEE'S ATTORNEY

I, _____, have been independently employed by Cameron Parry (hereinafter the "Client") who intends to lease certain premises from the Town of Chilmark. The land is located off Middle Line Road, Chilmark, Massachusetts, as further described in Exhibit C of this Ground Lease. In connection with the leasing of the land, I reviewed with the Client the following documents relating to the transaction:

- a. this Letter of Acknowledgment and a Letter of Stipulation from the Client
- b. a proposed Ground Lease conveying the "Leased Premises" to the Client
- c. other written materials provided by the Town.

The Client has received full and complete information and advice regarding this lease and the foregoing documents. My advice and review has been given reasonably to inform the Client of the present and foreseeable risks and legal consequences of the contemplated transaction. The Client is entering the aforesaid transaction in reliance on his own judgment and upon his investigation of the facts. The full and complete advice and information provided by me was an integral element of such investigation.

Name _____

Date _____

Title _____

Firm/Address _____

Exhibit C

LEASED PREMISES (LEGAL DESCRIPTION OF THE PROPERTY)

The land in the Town of Chilmark, County of Dukes County, Commonwealth of Massachusetts, being more particularly described as Site 7 as shown on a certain plan entitled "Plan of Land in CHILMARK, MASS. Surveyed For THE TOWN OF CHILMARK HOUSING COMMITTEE, Scale 1" = 50' January 21, 2008" (the "Plan") filed in the Dukes County Registry of Deeds, Plan Book 16, Page 47, and a portion of which is attached hereto as Exhibit C-2; also described as #4 Oak Grove. Said Site 7 contains 1.11 Acres, more or less, according to said Plan.

Together with any rights of way and easements for the benefit of said Site 7 as are shown on said Plan or as of record may appear.

Exhibit D

FIRST REFUSAL

Whenever any party under the Ground Lease shall have a right of first refusal as to certain property, the following procedures shall apply. If the owner of the property offering it for sale ("Offering Party") shall within the term of the Ground Lease receive a bona fide, third-party offer to purchase the property that such Offering Party is willing to accept, the holder of the right of first refusal (the "Holder") shall have the following rights:

- a. Offering Party shall give written notice of such offer ("the Notice of Offer") to Holder setting forth (a) the name and address of the prospective purchaser of the property, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer ("the Election Period") within which to exercise the right of first refusal by giving notice of intent to purchase the property ("the Notice of Intent to Purchase") for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.
- b. If Holder exercises the right to purchase the property, such purchase shall be completed within sixty (60) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.
- c. Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Ground Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Offering Party's right so to sell shall end, and all the foregoing provisions of this Section shall be applied again to any future offer, all as aforesaid.

Exhibit E

BILL OF SALE AND DEED

Not applicable. There are no improvements on the Leased Premises at the time of commencement of this Lease.

Exhibit F

PERMITTED MORTGAGES

The provisions set forth in this Exhibit shall be understood to be provisions of Article 8 of the Lease to which the Exhibit is attached and in which the Exhibit is referenced. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A. PERMITTED MORTGAGE: A “Permitted Mortgage,” as identified in Section 8.1 of the Lease to which this Exhibit is attached, shall be a mortgage (“Mortgage”) that meets the following requirements.

1. Such Mortgage shall run in favor of either (a) a so-called institutional lender such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, a pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision, or (b) a “community development financial institution” as certified by the U.S. Department of the Treasury, or similar nonprofit lender to housing projects for low- and moderate-income persons.
2. Such Mortgage shall be a first lien on all or any of the Improvements and the Lessee’s interest in the Leased Premises (the “Security”).
3. Such Mortgage and related documentation shall provide, among other things, that in the event of a default in any of the mortgagor’s obligations there under, the holder of such Mortgage shall notify the Town of such fact and the Town shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor’s name and on mortgagor’s behalf, provided that current payments due the holder during such 120-day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such Mortgage or to commence to foreclose under the Mortgage on account of such default.
4. Such Mortgage and related documentation shall provide, among other things, that if after such cure period the holder intends to accelerate the note secured by such Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of this Lease, the holder shall first notify the Town of its intention to do so and the Town shall have the right, but not the obligation, upon notifying the holder within sixty (60) days of receipt of said notice from said holder, to pay off the indebtedness secured by such Mortgage and to acquire such Mortgage.
5. Such Mortgage and related documentation shall provide, among other things, that, in the event of foreclosure sale by a Permitted Mortgagee or the delivery of a bill of sale and deed to a Permitted Mortgagee in lieu of foreclosure, within ten (10) days of acquisition of title to the Security by the Permitted Mortgagee, its assignee or third party (“Title Holder”), the Title Holder shall give the Town written notice of such acquisition (“Acquisition Notice”) and the Town shall have an option to purchase the Security for the purchase price at the foreclosure sale, plus the

Permitted Mortgagee's reasonable costs related to said sale, or, in the event of transfer in lieu of foreclosure, for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage immediately prior to said transfer; provided, however, that the Town gives written notice to the Title Holder of the Town's intent to purchase the Security ("Town's Purchase Notice") within sixty (60) days following the Town's receipt of the Acquisition Notice (the "Notice Period"); further provided that the Town shall complete the purchase of the Security within sixty (60) days of having given the Town's Purchase Notice. The Town shall also have the right to assign the aforesaid option to purchase to an Income-qualified Person, Eligible Purchaser, non-profit corporation, charitable trust, Dukes County Regional Housing Authority, other government agency or other similar entity sharing the goals described in the Recitals of the Ground Lease to which this exhibit is attached, provided said person or entity is approved by the Chilmark Housing Committee, by written notice to the Title Holder given within the aforesaid sixty (60) day Notice Period ("Town's Assignment Notice"), provided that the Town's assignee shall complete the purchase of the Security within sixty (60) days of the Town having given the Town's Assignment Notice to the Title Holder.

If the Town does not give such notices or the Town, or its assignee, fails to complete the purchase within such period, the Title Holder shall be free to sell the Improvements and transfer the Lessee's interest in the Leased Premises to another person.

Notices given to the Town pursuant to this paragraph shall be given in the manner set forth in Section 14.1 of the Lease. Notices given to the Permitted Mortgagee, its assignee or third party shall be given to the address that has been given by the Permitted Mortgagee, its assignee or third party to the Town by a written notice to the Town sent in the manner set forth in said Section 14.1 of the Lease.

6. Such Mortgage and related documentation shall not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the Dukes County area by institutional mortgagees.

7. Such Mortgage and related documentation shall not contain any provisions which could be construed as rendering the Town liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.

8. Such Mortgage and related documentation shall contain provisions to the effect that the holder of such Mortgage shall not look to the Town or the Town's interest in the Leased Premises, but will look solely to Lessee, Lessee's interest in the Leased Premises, the Improvements, or such other buildings and improvements which may from time to time exist on the Leased Premises, for the payment of the debt secured thereby or any part thereof (It is the intention of the parties hereto that the Town's consent to such Mortgage shall be without any liability on its part for any deficiency judgment).

9. Such Mortgage and related documentation shall provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Mortgage in accordance with the provisions of Article 9 hereof.

10. Such Mortgage and related documentation shall contain nothing that obligates the Town to execute an assignment of the Ground Lease Fee or other rent payable by Lessee under the terms of this Lease.

B. RIGHTS OF PERMITTED MORTGAGEE: The rights of a holder of a Permitted Mortgage (“Permitted Mortgage”) as referenced under Section 8.2 of the Lease to which this Exhibit is attached shall be as set forth below.

1. Permitted Mortgagee shall without requirement of consent by the Town have the right, but not the obligation, to:

a. cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance by a Permitted Mortgagee being effective as if it had been undertaken and performed by Lessee;

b. acquire and convey, assign, transfer, and exercise any right, remedy or privilege granted to Lessee by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and

c. rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of Permitted Mortgagee.

2. Permitted Mortgagee shall not, as a condition to the exercise of its rights under the Lease, be required to assume personal liability for the payment and performance of the obligations of the Lessee under the Lease. Any such payment or performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Security and the premises. In the event Permitted Mortgagee does take possession of the Security and thereupon transfers the Security, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.

3. In the event that title to the estates of both Lessor and Lessee shall be acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage. In the event that the estate of Lessor is owned at any time by Lessee (regardless of a merger), or by any person in which Lessee has a direct or indirect interest, Permitted Mortgagee shall not be obligated to cure any default of Lessee under the Lease as condition to the forbearance by Lessor in the exercise of Lessor’s remedies as provided in the Lease.

4. If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors’ rights, the Town shall enter into a new lease of the Leased Premises with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to the Town’s approval), not more than 60 days after the request of the Permitted Mortgagee. Such new lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection, or disaffirmance, and

upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to the Town for such new lease within sixty (60) days after the effective date of such termination, rejection, or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Lessee there under, and the Permitted Mortgagee shall have cured all defaults under the Lease, which can be cured by the payment of money. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Premises as the Lease. The provisions of this Section shall survive the termination, rejection, or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by the Town, Lessee, and the Permitted Mortgagee.

5. The Town shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6. In the event that the Town sends a notice of default under the Lease to Lessee, the Town shall also send a notice of Lessee's default to Permitted Mortgagee. Such notice shall be given in the manner set forth in Section 14.1 of the Lease to the Permitted Mortgagee at the address that has been given by the Permitted Mortgagee to the Town by a written notice to the Town sent in the manner set forth in said Section 14.1 of the Lease.

Exhibit G

MARTHA'S VINEYARD COMMISSION REQUIREMENTS



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**Decision of the
Martha's Vineyard Commission
DRI 597-M – Middle Line Housing – Form C**

1. SUMMARY

Referring Board: Planning Board, Town of Chilmark, MA

Subject: Development of Regional Impact #597-M
Middle Line Housing – Form C

Project: To create a 9-building, 12-unit housing complex on a 21.4-acre site on Middle Line Road in Chilmark.

Owner: Town of Chilmark

Applicant: Town of Chilmark; Warren Doty (Selectmen)

Applicant Address: P.O. Box 119, Chilmark, MA 02535

Project Location: Map 13 Lot 43, Middle Line Road, Chilmark, MA

Description: The Applicant was approved by the MVC for a Form "B" preliminary subdivision plan in June 2007. The proposal is to create a 9-building, 12-unit housing complex on a 21.4-acre site on Middle Line Road in Chilmark. There will be 6 residential "homesites" in which individual owners will build single-family homes up to 4 bedrooms each. There will be 6 duplex units developed by a private developer hired by the town and managed by an independent agency. At least four units will go to families earning no more than 100% of Area Median Income (AMI) and the remainder to families earning no more than 150% of (AMI). All units will be permanently restricted to be affordable according to the above limits. The Town will retain ownership of the entire parcel. This Form C Subdivision is almost identical to the Form B.

Decision: The Martha's Vineyard Commission (the Commission) approved the application for the project as a Development of Regional Impact with conditions, at a vote of the Commission on April 10, 2008.

Written Decision: This written decision was approved by a vote of the Commission on April 10, 2008.

The permit-granting authorities of the Town of Chilmark may now grant the request for approval of the Applicant's Form C subdivision in accordance with the conditions contained herein and may place further conditions thereon in accordance with applicable law, or may deny the request for approval.

2. FACTS

The exhibits listed below including the referral, the application, the notice of public hearing, the staff report, the plans of the project, and other related documents are incorporated into the record herein by reference. The full record of the application is kept on the premises of the Martha's Vineyard Commission.

2.1 Referral

The project was referred to the Commission on January 29, 2008 by the Planning Board of the Town of Chilmark, MA for action pursuant to Chapter 831 of the Acts of 1977, as amended (the Act) and the Commission's Standards and Criteria Administrative Checklist for Developments of Regional Impact, Sections 3.102a, 3.104c, 3.204b, 3.401a, three of which are mandatory review referrals.

2.2 Hearings

Notice: Public notice of a public hearing on the Application was published in the Vineyard Gazette, February 29, 2008.

Hearings: The Commission held a public hearing on the Application that was conducted by the Commission pursuant to the Act and M.G.L. Chapter 30A, Section 2, as modified by Chapter 831 on March 13, 2008, and was continued to April 3, 2008 and closed on that date.

2.3 The Plan

The following plans and documents submitted by the Applicant and contained in the Commission's project file constitute "the Plan."

- P1 "Plan of Land in Chilmark, Mass.", consisting of one page of a colored site plan, Scale 1' = 50', prepared by Handlin, Garrahan, Zachos and Associates 104 Mount Auburn Street, Cambridge, MA 02138, January 22, 2008.
- P2 "Plan of Land in Chilmark, Mass.: Locus Map", consisting of one page (Sheet 1 of 9), Scale 1' = 150', prepared by Vineyard Land Surveying & Engineering, Inc., P.O. Box 421, West Tisbury, MA 02575 January 8, 2008.
- P3 "Plan of Land in Chilmark, Mass", consisting of three pages of access road layout and proposed turnouts (Sheets 2,3, and 4 of 9), Scale 1' = 40', prepared by Vineyard Land Surveying & Engineering, Inc., P.O. Box 421, West Tisbury, MA 02575 January 21, 2008.
- P4 "Plan of Land in Chilmark, Mass", consisting of one page of site road and lot layout (Sheets 5 of 9), Scale 1' = 50', prepared by Vineyard Land Surveying & Engineering, Inc., P.O. Box 421, West Tisbury, MA 02575 January 21, 2008.
- P5 "Plan of Land in Chilmark, Mass", consisting of one page of site layout with proposed septic sites and test wells (Sheets 6 of 9), Scale 1' = 50', prepared by Vineyard Land Surveying & Engineering, Inc., P.O. Box 421, West Tisbury, MA 02575 January 21, 2008.
- P6 "Plan of Land in Chilmark, Mass", consisting of one page of site layout with lot lines, setbacks, and Wetland, Holman Road, and No Cut buffers (Sheets 7 of 9), Scale 1' = 50', prepared by Vineyard Land Surveying & Engineering, Inc., P.O. Box 421, West Tisbury, MA 02575 January 22, 2008.
- P7 "Plan of Land in Chilmark, Mass", consisting of two pages of Middle Line Road existing and proposed road profiles (Sheets 8 and 9 of 9), Scale 1' = 50', prepared by Vineyard Land Surveying & Engineering, Inc., P.O. Box 421, West Tisbury, MA 02575 January 21, 2008.
- P8 DRI Form B Application Packet for Middle Line Road Community Housing Program, consisting of fifty three 8.5" by 11" sheets with DRI Application Form, Project narrative with purpose, background, policies, locus map, site plan B, Deeds, conservation restriction, letters from state agencies, and implementation guidelines.

2.4 Other Exhibits

- E1. Referral to the MVC from the Chilmark Planning Board January 29, 2008.
- E2. Staff Report, by Paul Foley, MVC DRI Coordinator, with the assistance of other staff members, March 13, 2008.
- E3. Minutes of the Commission's Land Use Planning Committee meeting, December 17, 2007.
- E4. Minutes of the Commission's Land Use Planning Committee meeting, February 4, 2008.
- E5. Minutes of the Commission's Public Hearing, March 13, 2008.
- E6. Minutes of the Commission's Continued Public Hearing, April 3, 2008.
- E7. Minutes of the Commission Meeting of April 10, 2008 – Deliberations and Decision.
- E8. Minutes of the Commission Meeting of April 10, 2008 – Approval of the Written Decision.
- E9. Letter from James Lengyel, Executive Director of the Martha's Vineyard Land Bank, March 8, 2008.
- E10. Letter from Blair and Diane Brady Emin, abutters, April 3, 2008.
- E11. Proposal to Conduct an Archaeological Phase 2 Site Examination and Additional Phase 1 Intensive Survey of the New Middle Road Native American Site, UMASS Archaeological Services, March 11, 2008.
- E12. Completion Memorandum for the Archaeological Phase 2 Site Examination of the New Middle Road Native American Site, UMASS Archaeological Services, March 31, 2008.

2.5 Summary of Testimony

The following is a summary of the principal testimony given during the public hearing.

- Presentation of the project by Warren Doty, Riggs Parker, Frank Fenner, Andy Goldman, Chuck Hodgkinson, Glenn Provost, Kent Healy, and David Handlin.
- Staff reports by Paul Foley, MVC DRI coordinator; Bill Wilcox, MVC Water Planner; Mark London, Executive Director.
- Letter from citizens of Martha's Vineyard noted above.
- Testimony from Diane Emin and attorney George Davis.

3. FINDINGS

3.1 Project Description

- The site plan is organized around a central single-lane, dirt road that parallels Holman Road, a former road and now a trail. Three roads off the central road lead to loops at the center of each group of three buildings – one duplex and two single-family homes. Two clay pits are now manmade wetlands, which the Town will accept as wetlands and buffer. The Town will place a Conservation Restriction on a beech grove and the clay pits.
- The 6 single-family units will be used as residential homesites by families who will build houses that will be allowed up to 4 bedrooms each.
- The 6 duplex units will be rented. These rental units will be developed by a private developer who will be hired by the town, and will be managed by an independent agency. The duplexes will have two 1-br, two 2-br, and two 3-br units.

- At least four units will be used by families earning no more than 100% of Area Median Income (AMI) and the remainder earning no more than 150% of AMI.
- All units will be permanently restricted to be affordable according to the above limits. The Town will retain ownership of the entire parcel.
- The Form C Subdivision Plan differs slightly from the Form B Subdivision Plan that was approved by the MVC in June 2007 in the following ways:
 - Buildings are farther away from the east lot line to improve abutter privacy. The Form C commits a 50-foot no cut buffer zone along the entire eastern boundary line and a 75-foot setback from the east lot line for the buildings.
 - A tenth well and fire safety water storage tank was added.
 - The sight lines at the intersection of Middle Line Road and Tabor House Road were improved with the acquisition of two lots (Map 13 Lots 29 and 30).
 - The results of the Phase I archaeological survey recommended a more intensive Phase II survey of the proposed new roadway from Middle Line Road to Tabor House Road. A Phase II archaeological survey was performed and was determined to be sufficient and that no further study was required.

3.2 Statutory Authority

The purpose of the Commission, as set forth in Section 1 of the Act, is to "protect the health, safety and general welfare of island residents and visitors by preserving and conserving for the enjoyment of present and future generations the unique natural, historical, ecological, scientific and cultural values of Martha's Vineyard which contribute to public enjoyment, inspiration and scientific study by protecting these values from development and uses which would impair them, and by promoting the enhancement of sound local economies."

The Commission has reviewed the proposal as a Development of Regional Impact, using the procedures and criteria that the Commission normally uses in evaluating the benefits and detriments of such a proposal. The Commission has considered the Application and the information presented at the public hearing, including listening to all the testimony presented and reviewing all documents and correspondence submitted during the hearing and review period.

3.3 Benefits and Detriments

Based on the record and testimony presented therein, the Commission finds the following pursuant to Sections 14 and 15 of the Act.

A. THE COMMISSION FINDS THAT THE PROBABLE BENEFITS OF THE PROPOSED DEVELOPMENT WOULD EXCEED THE PROBABLE DETRIMENTS, AS EVALUATED IN LIGHT OF THE CONSIDERATIONS SET FORTH IN SECTION 14(a) OF THE ACT.

A1 The Commission finds that the proposed development at this location is appropriate in view of the available alternatives (Section 15(a) of the Act.)

The Commission finds that this Town-owned property represents the best short-term opportunity to achieve badly needed affordable housing in Chilmark, despite the fact that this is not an ideal site with respect to its impact on the natural environment and the distance to town services (school, library, community center, store, etc.). The Commission notes that six houses and six guest houses could have been built under existing zoning, which could have had a similar and perhaps even greater impact than this proposal. The Commission also notes that Chilmark has been developed in a dispersed pattern over the last thirty years.

A2 The Commission finds that the proposed development would have a negative impact upon the environment relative to other alternatives (Section 15(b) of the Act).

With respect to Wastewater and Groundwater, the Commission finds that the proposal adheres to the Commission's Water Quality Policy with respect to wastewater and nitrogen-loading.

With respect to Open Space, Natural Community and Habitat, the Commission notes that this is one of the last large unbroken tracts of woodland in Chilmark with value as habitat, potential as conservation land, and as a remnant of rural values. The Commission finds that the proposed development plans to retain at least 70% of the land as undisturbed open space. The Commission also finds that the developers have submitted their Form C plan to the Natural Heritage and Endangered Species Program (NHESP) for review because a portion of the property is designated as Priority Habitat and that the NHESP has cleared the Form C plan as not constituting a "take" of habitat. The Commission notes that any revisions to the Form C plan would have to be submitted to the NHESP for further review.

With respect to Night Lighting and Noise, the Commission finds that the project will change the area and undoubtedly increase night lighting and noise. The Commission notes that the developers have offered to minimize night lighting and that the Town of Chilmark has strict night lighting by-laws.

With respect to Energy and Sustainability, the Commission finds that the project will be developed using Leadership in Energy and Environmental Design (LEED) principles and will strive for the highest possible rating of Certification in the LEED Program.

A3 The Commission finds that the proposed development would have a moderate negative effect upon other persons and property (Section 15(c) of the Act).

With respect to Traffic and Transportation, the Commission finds that the project will increase traffic on a little traveled road, though probably comparable to alternative development as six homes and six guesthouses. The Commission notes that the Form C Definitive Subdivision Plan has addressed concerns about the access to Tabor House Road with the Town's purchase of two lots that will enable a much safer connection with improved sight lines at the intersection of Middle Line Road and Tabor House Road.

With respect to Scenic Values, Character, and Identity, The Commission finds that the project represents a tradeoff between the rural character of the town and the desire to enable working citizens of the town to stay in Chilmark and help retain its community character.

With respect to the Impact on Abutters, the Commission finds that the project will have a negative impact on the few abutters in this wooded and rural corner of Chilmark.

A4 The Commission finds that the proposed development would have a beneficial impact upon the supply of needed low and moderate income housing for Island residents (Section 15(d) of the Act).

The Commission finds that the project is being developed specifically to supply much-needed housing in perpetuity for households earning a moderate income, a need that is particularly acute in Chilmark. The Commission notes that that the proposed income level limits do not specifically serve people with the lowest income levels and in the greatest need. Overall, this benefit outweighs the proposal's detriments referred to above.

A5 The Commission finds that the proposed development would have some impacts on the provision of municipal services or burden on taxpayers in making provision therefore (Section 15(e) of the Act).

The Commission finds that there will be a significant burden on taxpayers to complete this project (\$2-4,000,000) but that the Town has voted to pursue this project due to the great need for moderately priced housing in Chilmark.

A6 The Commission finds that the proposed development would use efficiently and not unduly burden existing public facilities (other than municipal) or those that are to be developed within the succeeding five years. (Section 15(f) of the Act).

A7 The Commission finds that the proposed development does not interfere with the ability of the municipality to achieve the objectives set forth in the municipal general plan. (Section 15(g) of the Act).

The Commission notes that one of the goals of the Chilmark Master Plan is to develop affordable housing.

A8 The Commission finds that the proposed development would not contravene land development objectives and policies developed by regional or state agencies. (Section 15(h) of the Act).

The Commission notes that the development is consistent with some of the policies of the Martha's Vineyard Commission Regional Policy Plan, adopted by the vote of the Martha's Vineyard Commission, June 1991.

In sum, after careful review of the plan and its attendant submittals and the testimony presented by the Applicant and others, and the addition of conditions such as those relating to wastewater and future traffic mitigation, the Commission has concluded that the probable benefits of this proposed development in this location exceed its probable detriment in light of the considerations set forth in section 14(a) of the Act.

B. THE COMMISSION FINDS THAT THE PROPOSED DEVELOPMENT WOULD BE CONSISTENT WITH THE LAND DEVELOPMENT OBJECTIVES OF THE COMMISSION, AS EVALUATED IN LIGHT OF THE CONSIDERATIONS SET FORTH IN SECTION 14(b) OF THE ACT.

The requested project, as a whole, advances the Commission's land development objectives, as outlined in the Martha's Vineyard Commission Regional Policy Plan adopted by the Commission in June 1991, and as noted previously in section A8 of this decision.

C. THE COMMISSION FINDS THAT THE PROPOSED DEVELOPMENT IS CONSISTENT WITH MUNICIPAL DEVELOPMENT ORDINANCES AND BY-LAWS, TO THE BEST OF THE COMMISSION'S KNOWLEDGE.

The Commission finds that the project is subject to review by the Planning Board, the Conservation Commission, the Board of Health, and the Zoning Board of Appeals of the town of Chilmark. The Commission notes that the developers have designed the project in such a way that no variance or changes to the zoning by-laws would be required.

D. THE COMMISSION FINDS THAT THE SITE IS IN CONFORMANCE WITH THE REGULATIONS OF DISTRICTS OF CRITICAL PLANNING CONCERN, AS EVALUATED IN LIGHT OF THE CONSIDERATIONS SET FORTH IN SECTION 14(d) OF THE ACT.

The Commission finds that the proposed development site is not within any District of Critical Planning Concern (DCPC).

4. DECISION

The Martha's Vineyard Commission deliberated about the application at a duly noticed meeting of the Commission held on April 10, 2008 and made its decision at the same meeting.

The following Commissioners, all of who participated in all hearings and deliberations on this project, participated in the decision on April 10, 2008.

- Voting in favor: Andrew Woodruff, Linda Sibley, John Breckenridge, Richard Toole, Doug Sederholm, Jim Powell, Mimi Davisson, Chris Murphy
- Voting against: Jim Athearn, Susan Shea.
- Abstentions: None.

Based on this vote, the Commission approved the application for the project as a Development of Regional Impact with the conditions listed in section 5 below.

This written Decision is consistent with the vote of the Commission April 10, 2008 and was approved by vote of the Commission on April 10, 2008.

5. CONDITIONS

After reviewing the proposal for this Development of Regional Impact, the Martha's Vineyard Commission imposes the following conditions in order to increase the benefits and minimize the detriments of the project. The analysis of benefits and the resulting decision to approve the project is based on the proposal as modified by these conditions. These conditions form an integral and indispensable part of this decision. If the Commission finds it necessary to seek judicial relief to enforce the condition, the Applicant, or its successors in title at the time of such proceedings, shall pay the Commission's attorney's fees and costs incurred in obtaining judicial relief.

1 Landscaping

- 1.1 As offered by the Applicant in the Form B submittal, all fertilizers shall be slow-release, water-insoluble nitrogen source types. No synthetic pesticides including herbicides, fungicides and/or insecticides shall be used in the maintenance of landscaping.
- 1.2 As offered by the Applicant in the Form B submittal, all plantings shall be non-invasive species and shall include native species and use best management practices.
- 1.3 As offered by the Applicant in the Form B submittal, consistent with the MVC staff water quality assumptions and analysis, the Town agrees to allow no more than a total of 27,000 sq. ft. of "lawn area" within the 21-acre proposal (average of 3,000 sq. ft. per building). It will be fertilized no more than three times per year.

2 Exterior Lighting

- 2.1 As offered by the Applicant in the Form B submittal, any security lighting will be motion sensitive.
- 2.2 As offered by the Applicant in the Form B submittal, all exterior lighting will be downward shielded to prevent direct light from escaping the property as expressly determined in Chilmark's Outdoor Lighting By-Law—Article 5 Sections 5.5, 5.6, 5.7 and 5.8.

3 Number of Units and Affordable Housing

- 3.1 As offered by the Applicant in the Form B submittal, the Town shall cap the total number of dwelling units on the property at 12.
- 3.2 As offered by the Applicant in the Form B submittal, at least 1/3 of all dwellings (4) will be devoted to qualified recipients earning up to 100 % of the Dukes County Median Income. This commitment is dependent upon the number of qualified applicants that are within this income bracket.
- 3.3 As offered by the Applicant in the Form B submittal, the balance of the available dwellings will be devoted to qualified recipients earning up to 150 % of the Dukes County Median Income.

4 Wastewater

- 4.1 As offered by the Applicant in the Form B submittal, as with the Form B design, the Form C plan will meet all of the Commonwealth's and Town's wastewater regulations. It is the Town's intent to achieve this without requesting a variance or special permit for any Town regulation.
- 4.2 As offered by the Applicant, the Applicant shall not clear any more land than is absolutely necessary in order to get the well drilling rig to each of the ten well sites. The Town's Board of Health must approve each of the wells before any further site clearing may be performed. After a viable well is established for a building site, the house site, driveway, and other open area may be cleared according to the landscaping plan.

5 Open Space, Buffers, and Trails

- 5.1 As offered by the Applicant in the Form B submittal, the project shall be developed in such a way as to retain 70-80 percent of Open Space with native species. There may be some areas within open space that will be preserved as a meadow – to provide a more varied natural habitat.
- 5.2 As offered by the Applicant in the Form B submittal, all significant landscape features such as clay pits and ancient ways will be protected with a minimum 50-foot no cut buffer with the exception that the access road into the subdivision will cross Holman Road once.

- 5.3 As offered by the Applicant and to the extent permitted by law, the Applicant shall assure perpetual public access to Holman Road as a walking path.
- 5.4 As offered by the Applicant, in order to buffer the development from the adjacent parcels that abut the east lot line, the applicant shall maintain a 50-foot no-cut buffer zone along the property line, shall maintain a minimum setback for structures of 75 feet from the lot line, and shall plant at least six new trees at least 6' high of additional screening – or an alternative size and number as agreed by the affected abutter – for each new house.
- 5.5 As offered by the Applicant, the Applicant offers to work with the Land Bank to explore creating other trails, in addition to Holman Road.
- 5.6 Areas within the Holman Road no-cut buffer zone cleared for well-drilling and trenching shall be replanted with native vegetation similar to that which was destroyed.
- 5.7 If the Town chooses to create trails along the northerly or westerly boundaries connecting to a broader trail network, this shall be permitted in the no-cut zones and the areas covered by conservation restrictions.
- 5.8 Any incursions into any of the no-cut buffer zones or the areas covered by conservation restrictions other than three wells, the road access, and the trails referred to in condition 5.6 shall be referred to the Martha's Vineyard Commission for review as modifications to the plan.

6 Habitat

- 6.1 As offered by the Applicant in the Form B submittal, the Town has submitted a Massachusetts Endangered Species Act (MESA) filing on behalf of the Middle Line Road Community Housing Program. It has been determined that the Form C plan as proposed will not result in a prohibited "take" of state-listed rare species.
- 6.2 As offered by the Applicant in the Form B submittal, any major changes to this plan will be submitted to the Natural Heritage and Endangered Species Program (NHESP) for further review.

7 Energy Sustainability

- 7.1 As offered by the Applicant in the Form B submittal, the Applicant shall apply for LEED certification and shall seek the highest possible rating.
- 7.2 As offered by the Applicant in the Form B submittal, the Applicant shall apply for a Cape Light Compact grant for energy improvements and shall use any grant that is awarded to upgrade the energy efficiency, and/or to install renewable energy sources on the rental units.

8 Universal Access, Green Building, and Energy

- 8.1 As offered by the Applicant, at least one ground-floor rental unit shall be designed so it can be easily retrofitted to provide handicap access as defined by the Massachusetts Architectural Access Board.
- 8.2 As conditioned in the Form B submittal, the Applicant shall report the LEED (Leadership in Energy and Environmental Design) level achieved to the Martha's Vineyard Commission.
- 8.3 As conditioned in the Form B submittal, the Applicant shall consider requiring the owner of the residential homesite units to meet more stringent energy codes with rapid paybacks and shall report back on this issue.

9 Major Alterations

- 9.1 As offered by the Applicant in the Form B submittal, should the project have major alterations to the use of the premises from the proposed uses it shall return to the Martha's Vineyard Commission to request approval of said alterations.

All of the above accepted offers from the Applicant and other conditions shall be binding on the Middle Line Housing property, Map 13 Lot 43, Middle Line Road, Chilmark, MA (21.4 acres), and its successors and assigns, and shall run with the land.

6. CONCLUSION

6.1 Scope of Decision

This approval is contingent on the development proceeding as proposed; any substantial change of the proposed development as submitted with the application shall revoke this approval.

6.2 Permitting from the Town

The Applicant must, consistent with this Decision, apply to the appropriate Town of Chilmark Officers and Boards for any local development permits which may be required by law.

The Town's Building Inspector shall not issue a Certificate of Occupancy until it has received a Certificate of Compliance issued by the Executive Director or DRI Coordinator of the Martha's Vineyard Commission confirming that the following conditions in this Decision have been satisfied: 1.2, 1.3, 2.1, 2.2, 3.1, 3.2, 3.3, 4.1, 4.2, 5.1, 5.2, 5.3, 5.4, 5.6, and 5.1.

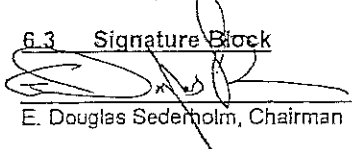
6.2 Notice of Appellate Rights

Any party aggrieved by a determination of the Commission may appeal to Superior Court within twenty (20) days after the Commission has sent the development Applicant written notice, by certified mail, of its Decision and has filed a copy of its Decision with the Chilmark Town Clerk.

6.3 Length of Validity of Decision

The Applicant shall have two (2) years from the date of receipt of the Decision of the Martha's Vineyard Commission to file an application for a "Form C" Definitive Subdivision Plan. Should such an application not be filed during said two (2) year period, this Decision shall become null and void and have no further effect. This time period may be extended upon written request from the Applicant and written approval from the Martha's Vineyard Commission.

6.3 Signature Block


E. Douglas Sederholm, Chairman

Date

4-11-08

6.4 Notarization of Decision

Commonwealth of Massachusetts
County of Dukes County, Mass.

On this 11th day of April, 2008, before me,
Karen H. LOBDELL, the undersigned Notary Public, personally
appeared E. Douglas Sederholm, proved to me through satisfactory evidence of identity,
which was/were Personal Knowledge to be the person(s) whose
name(s) was/were signed on the preceding or attached document in my presence, and who swore or
affirmed to me that the contents of the document are truthful and accurate to the best of his/her/their
knowledge and belief.

Karen H Lobdell
Signature of Notary Public

Karen H Lobdell
Printed Name of Notary
My Commission Expires March 15, 2013

6.5 Filing of Decision

Filed at the Dukes County Registry of Deeds, Edgartown, on: 4-11-08

Deed - Book 1148, page 180